

COMMITTEE ON TRAFFIC/PUBLIC SAFETY

July 23, 2002

5:30 PM

Chairman Sysyn called the meeting to order.

The Clerk called the roll.

Present: Aldermen Sysyn, Osborne, Forest
Aldermen Smith, O'Neil

Absent: Aldermen Guinta and Garrity

Messrs.: Deputy City Solicitor Arnold, Kevin Buckley, Tom Lolicata, Lt. M. Lussier, Randy Sherman, Tracy Deggs, Don Clark, Jennifer Sollars, Brian Fortin, Ed Crean

Chairman Sysyn addressed item 3 of the agenda:

3. Communication from Maureen Beauregard requesting the closure of the alleyway behind 122 Market Street on Saturday, August 17, 2002 in conjunction with a summer event planned for Families in Transition.

Alderman Forest moved to approve. Alderman Osborne duly seconded the motion. There being none opposed, the motion carried.

Chairman Sysyn addressed item 4 of the agenda:

4. Communication from Robert Cloutier requesting the closure of a portion of East Industrial Park Drive turning onto Holt Avenue and Pepsi Road on Sunday, August 11, 2002 in conjunction with the Granite State Senior Games road race and cycling event.

Alderman Osborne moved to approve. Alderman Forest duly seconded the motion. There being none opposed, the motion carried.

Chairman Sysyn addressed item 5 of the agenda:

5. Communication from George Copadis requesting the closure of Kenney Street at Hanover and Hilton Streets at Amherst Street from 10AM to 11 PM on September 13, 14 & 15, 2002 in conjunction with the annual Glendi celebration.

Alderman Forest moved to approve. Alderman Osborne duly seconded the motion. There being none opposed, the motion carried.

Chairman Sysyn addressed item 6 of the agenda:

6. Communication from Patty Jo Duguay requesting the closure of portions of William Loeb Drive, Holt Avenue, East Industrial Park Drive, Candia Road, Proctor Road, Lake Shore Road, Island Pond Road on Saturday, September 7, 2002 from 9 AM to 11 AM in conjunction with the *Union Leader* Classic Road Race to benefit the American Heart Association.

Alderman Osborne moved to approve. Alderman Forest duly seconded the motion. There being none opposed, the motion carried.

Chairman Sysyn addressed item 7 of the agenda:

7. Communication from Chris Morgan requesting the closure of Merrimack Street from Elm Street to the point at which Veterans Park begins on Thursday, August 29th beginning at 4 PM until 11 PM in conjunction with the sponsorship of Merrimack Volvo during the Peter Frampton Concert.

Chairman Sysyn asked is the concert going until eleven or is it that they need the roads closed to get in and cleaned up?

Deputy Clerk Johnson replied perhaps what you could do is do it subject to Police and we can tie it in with the licensing.

Alderman Forest moved to approve subject to the review and approval of the Police Department and the Business Licensing Division. Alderman Osborne duly seconded the motion. There being none opposed, the motion carried.

Chairman Sysyn addressed item 8 of the agenda:

8. Petition submitted by residents of Manchester requesting that speed in alleyways be reduced to 15 mph city-wide.

Alderman Osborne moved for discussion. Alderman Forest duly seconded the motion.

Chairman Sysyn stated I have the lady who started this whole petition here, so I would like her to come up because she wants to speak for a minute and I also have Mary Hennessey who did a petition up at the other end of town in her neighborhood because she had spoken to me about it.

Deputy Clerk Johnson stated two things: one, if you could identify yourself for the record and the other is if you could just hold the microphone a little closer so everybody here could hear what you're saying.

Hi, my name is Tracy Deggs and I live 153 Cedar Street. Good evening, Ladies and Gentlemen, thank you for allowing us to read a short statement. As our petition mentions we are concerned about the issue of speed in the alleyways city-wide. Currently, the alleys are not posted for speed...the residents of Manchester feel that 30 miles-an-hour in the alleyways is way too fast. We are asking this Board to help us lower and post the speed to 15 mph. Thank you for your time... Manchester residents. I just want to reiterate this isn't just a Cedar Street or an Auburn Street, this is a city-wide problem. I have talked to everybody, every mother, every father. There is going to be serious problems with somebody getting hurt. Thank you for your time.

Chairman Sysyn stated one of those petitions too was from the north end too, Mary Hennessey did one of them.

Mr. Lolicata stated we thought about this year's ago but with the Police Department's approval and probably Public Service and the reason I'm saying that is because to post these in 9 out of 10 cases we would probably have to utilize telephone poles...we do use them now to put up our "No Parking" signs so people won't park in these alleyways...they are mostly 20 feet or less, I agree with it. This Committee and the City can make up an ordinance relating to 15 mph...it's a matter of putting these signs up on telephone poles or the best positions that we can do it...it will be an expensive proposition. So, I'd have to say right now that if you ever do this we would have to go into something of a cheap matter (not aluminum) but it will be an expensive proposition if you're talking the whole City, but it's not a bad idea either, I have to say that.

Chairman Sysyn stated we probably couldn't do it in this budget but if we can get started with it maybe we could refer it to your department.

Deputy Clerk Johnson stated if the issue is also to place the signs on the telephone poles the City would need an agreement with the owner of the poles, so perhaps you could either refer it to the Traffic Department to work with the City Solicitor's Office on that issue or you could table it pending reports from them and let them work it out because if you can't do it on that you're going to need a budget estimate, I would presume, for the next budget cycle too. You may need that anyway but he can work on it at least to come back to the Committee.

Alderman Forest asked would you include the Police Department?

Deputy City Solicitor Arnold replied you can include the Police Department. Certainly, we probably would even if you didn't do so. I would note for the Committee's benefit that I will have to look at State statute. My recollection of State statute is that in order to lower the speed limits below, I think it's 25, a traffic study would be required and we'd have to arrange for that but again I'd need to examine the statute again because I'm relying on my memory which as I often say is always dangerous.

Mr. Lolicata stated he is correct in regard to the statute as far as 5 mph less. But, I believe there is also a State law which entitles us to look at it from highway, traffic, etc. at 20 mph. I think any roadway of 20 feet or less...I may be wrong, but it's a law that was just passed maybe a few years ago which might be in your favor.

Deputy City Solicitor Arnold stated you could be right. That is why I say I need to look at the statutes again just so the Committee is aware.

Alderman Forest moved to refer back to the Traffic Director to work with Police and Solicitor and come back with a report.

Alderman Osborne asked, Tom, do you have a cost now of what this would cost?

Mr. Lolicata replied I haven't the faintest idea right now. It all depends on what type of sign we're going to use and how many and I haven't even conceived this right now.

Alderman Osborne duly seconded the motion. There being none opposed, the motion carried.

Chairman Sysyn addressed item 9 of the agenda:

9. Chairman Sysyn advises that the Traffic Department has submitted an agenda, which needed to be addressed as follows:

Chairman Sysyn asked do we want to take the whole Traffic Department agenda as a whole?

Deputy Clerk Johnson stated there's the Traffic Department's agenda and we also have an addendum which is all discussion items, but I think...

Mr. Lolicata stated I have that addendum and the other stuff with it if you want me to give it to them.

Deputy Clerk Johnson stated my understanding is I think Alderman Osborne also had another one to bring in and I don't know if he has it or not, maybe we want to add that in at this time.

Mr. Lolicata stated I have copies of items I was going to bring in tonight.

NO PARKING ANYTIME:

On Mammoth Rd. east side, from Croteau Court to Wellington Terrace

On Mammoth Rd. west side, from Smyth Rd. to Smyth Lane

On Kennard Rd. north side, from Lindahl St. to Chalet Court

Alderman Gatsas

On Hanover St. north side, from Ohio Ave. to a point 65 feet easterly

Alderman Sysyn

On Spruce St. south side, from Tarrytown Rd. to a point 85 feet west

On Spruce St. north side, from Tarrytown Rd. to a point 90 feet west (Emergency)

On Hayes St. (one side) from Massabesic St. to Chase Ave. (subject to the review and approval of the Police and Traffic Departments.)

Alderman Osborne)

On Silver St. north and south sides, from Lincoln St. to a point 200 feet easterly
On Hayward St. south side, from Lincoln St. to a point 48 feet west
On Hayward St. south side, from Maple St. to a point 86 feet west of Lincoln St.
On Exeter Ave, west side, from a point 245 feet south of Hayward St. to a point 55 feet south
On Exeter Ave. west side, from a point 340 feet south of Hayward St. to a point 25 feet south
Alderman Shea

RESCIND NO PARKING ANYTIME:

On Spruce St. north and south side from Tarrytown Rd. to a point 40 feet west
(Emergency)
Alderman Osborne

On Silver St. south side, from a point 110 feet east of Lincoln St. to a point 80 feet easterly
On Hayward St. south side, from Lincoln St. a distance of 130 feet westerly
On Hayward St. south side, from Maple St. to a point 325 feet east
On Exeter Ave. west side, from a point 305 feet south of Hayward St. to a point 45 feet south
Alderman Shea

RESCIND NO PARKING (7AM-12PM --MONDAY-FRIDAY):

On Bridge St. north side, from a point 30 feet east of Union St. to a point 30 feet easterly
Alderman Guinta

RESCIND PARKING - 1 HOUR (8AM-6PM):

On Spruce St. south side, from Massabesic St. to Belmont St.
On Massabesic St. north side, from Spruce St. to Hall St.
On Hall St. east side, from Massabesic St. to Spruce St.
Alderman Osborne

PARKING ½ HOUR (FOR CITY BUSINESS ONLY):

On Hayward St. south side, from a point 48 feet west of Lincoln St. to a point 38 feet west
Alderman Shea

PARKING 1 HOUR (8AM-6PM):

On Hanover St. south side, from a point 85 feet west of Page St. to a point 55 feet westerly
Alderman Osborne

PARKING 2 HOURS 8AM-6PM TUESDAY-SATURDAY:

On Parkview Ave. north side, from S. Lincoln St. to a point 90 feet easterly
Alderman Garrity

PARKING 2 HOURS 8AM-6PM:

On Bridge St. north side, from Union St. to a point 60 feet easterly
Alderman Guinta

On Hall St. east side, from Massabesic St. to Spruce St.
On Spruce St. south side, from Massabesic St. to Belmont St.
On Massabesic St. north side from Spruce St. to Hall St.
Alderman Osborne

STOP SIGNS:

On Cass St. at Merrimack St. SEC
Alderman Sysyn

On Brent St. at Robert Hall Rd. NEC backup
Alderman DeVries

Alderman Osborne moved to approve the Traffic Department agenda. Alderman Forest duly seconded the motion. There being none opposed, the motion carried.

NEW BUSINESS

Communications from Riverfest, Inc. requesting fireworks display off of the Granite Street Bridge on Saturday, September 7th and requesting closure of bridge and use of the South Commercial Street Parking Lot.

Deputy Clerk Johnson stated they have a signed agreement with the Riverfront Park Foundation and they've mentioned the South Commercial Street Parking Lot in there which I think is the subject of the parking lot that we have not continued a contract on as of yet. But, I guess given it's Riverfest that we're looking to make sure that the Traffic Committee gives it's approval for them to utilize that lot under the conditions that they've signed with with the Foundation.

Alderman Forest asked do we have the authority to give that.

Deputy Clerk Johnson replied you would as part and parcel of that yes.

Alderman Osborne moved to approve the requests subject to the review and approval of Police, Fire and any other permits required through the City or State. Alderman Forest duly seconded the motion. There being none opposed, the motion carried.

Traffic Department Addendum

Deputy Clerk Johnson stated the Traffic addendum that has been distributed by the Traffic Department deals with discussions regarding permit fees and parking fees and discussion regarding the National Garage Contract extension. There was also a communication that had been received from the Chairman prior to the meeting indicating a wish to discuss increases in fees. You may want to take the addendum items separately and let Tom talk about what's he's reviewed for fees first, if you want.

Discussion regarding Parking Permit Fee Increase

Mr. Lolicata stated I've distributed a handout with what we have come up with as far as trying to get some revenues for the City. First of all with reference to the permit fees increases I'm talking about Downtown and the parking lots and we also came up with the garages which are our proposals from the Traffic Department. In reference to page 2, it gives you an indication of what the possibilities could be as far as an additional \$259,380 and this is all with a \$5.00 increase. Before I go any further, I am going to put something into perspective here and tell you why we're doing this and give you an idea. By talking \$5.00 and adding it to whatever it might be...some lots are \$31.00, they go to \$36.00, some \$41.00 to \$46.00...just for a garage, for example, right now with the \$56.00 fee you're only paying \$2.59 a day to park, I hope we all realize this.

Chairman Sysyn stated I have a permit for the garage but if I were to do it daily instead of having that permit I would be paying \$20.00 a week to park in the Canal Street Garage which would be \$80.00 a month.

Mr. Lolicata stated all I'm saying is that these leases are cheaper than actual daily rates. If you go out to pay a parking meter every day you're talking \$8.00/\$10.00 a week, \$4.00 a day. The lease going up \$5.00 doesn't even come to that, that is how far low we are in Manchester as far as parking. So, these increases have very little to do as far as increases...the people are paying it right now by paying all day at a meter. If you went Downtown and paid 8 hours at a 10-hour meter you'd be paying more than a lease increase of \$5.00 a month. And, as the largest City...I have a book here that goes back to 200 where some of the other cities and what

they're charging and Manchester is very, very low. Also, the reason we did this is because we were suppose to bring this forth on a yearly basis to the Traffic Committee which is the reason why I'm here today. So, basically, what you see on that second page is to give you an indication of if all of these fees went up \$5.00 and we're talking (in some cases) \$2.59 to \$3.18 possibly after a \$.59 increase. Again, I have to say to you that the following year and the year thereafter we're still going to come back and discuss these things.

Chairman Sysyn stated I think whoever is managing the garages when we have to reset some sort of a fee should come in with a plan for the next 10 years or whatever, they should have a plan ahead on what they're doing for yearly increases or every two years or whatever and I wanted David Waldecker here so he could try to have some input...but, he's not here.

Mr. Lolicata stated you're talking just garages. I'm also bringing in leases.

Chairman Sysyn stated my big thing was the garages.

Mr. Lolicata stated the decision you're going to have to make is to take these separately or take the ones that we have including the garages away from Mary and Dave Waldecker and see what they have and compare them and try to digest them until the next meeting at least.

Chairman Sysyn stated I don't think it's something you do this minute.

Mr. Lolicata stated when you do these things you've got to realize that when I go through other cities and towns and look at these...we are very low here, I just want you to keep that in mind when you're looking at this and I'm not here to advocate a raise here, a raise every year...I'm not doing that, but there's a reason for these things and right now if you go out and pay a full meter you're paying more than you are in the garage. So, I want you to look at this very carefully.

Chairman Sysyn stated you're paying \$4.00 a day if you parked for eight hours at a meter.

Mr. Lolicata stated I guess the presentation is for you to look at, to digest...I know there's three of you tonight. At least we have this out because it has to be done on an annual basis and you also do this only...not as a three or four-year program or even 10 years, you have to take this on a demand basis from each city and town. Each city and town is different and it's usually based upon demand and of course the times which is why you take it in bits and this is a start for us which is how I want to go about doing this.

Chairman Sysyn stated the reason why I wanted to come up with this is because I've been hearing that we losing money and we're not able to keep up with our expenses in the garage. If you went up a few dollars...I'm not advocating we should go up \$20.00 in this first year, but if you go gradually and that would be whoever gets that contract should have a handle on that and be able to come up with some kind of a plan.

Mr. Lolicata stated I'm just glad that you gave me an opportunity to present this tonight and it was the Committee's wish to do this on an annual basis anyway which is why we're presenting it tonight for this year.

Deputy Clerk Johnson stated maybe what you want to do until Mr. Waldecker does arrive is to defer onto the last item which is your parking meter hood rentals, defer discussion until Mr. Waldecker arrives.

Chairman Sysyn concurred.

Alderman Forest asked when was the last time the City did this.

Mr. Lolicata replied the leases and parking hasn't come in until the last five or six years. We started leasing about six years ago at the most throughout the City as far as parking lots, the Millyard, etc. So, this would probably be your second increase.

Alderman Forest asked when was the last increase?

Mr. Lolicata replied the last increase overall was I believe in 2000, it went up \$1.00 and I think prior to that it was the year before when it went up \$8.00 to \$10.00 from 14 years prior.

Chairman Sysyn stated it went up \$10.00 because I was paying \$45.00 and it went up to \$55.00.

Mr. Lolicata stated it's been one year for \$1.00, \$10.00 a year before and it was 14 years prior to that that anything was ever done. So, this would probably be the third increase you're talking about in three years.

Alderman Osborne asked how much are we losing now (per month) on these garages?

Mr. Lolicata replied on the garages I don't have a figure on that, Finance is working that out. There is a small profit until the debt service is brought in and that I don't have, but there is a loss.

Chairman Sysyn noted Finance is here.

Deputy Clerk Johnson stated I thought you were going to defer that discussion under Mr. Waldecker came and move onto the other.

Chairman Sysyn stated why don't we hold off until Mr. Waldecker comes. There are a couple of people from the business sector here, did you want to say anything. Brian.

I'm Don Clark, I'm Director of Property Management for The Gateway Technology Center in the Millyard. With all due respect to what Tom's saying...\$5.00 sounds like a little bit of money. You took an increase a year ago, averaged about three percent (3%), the year before that you took an increase and these are on parking lots and on-street parking especially in the Millyard as it affects us. The year before that you took an increase that ranged between 35 and 75%. Our leases with tenants do not provide that we have any recourse...you're literally taking the equivalent of \$1.00 per square foot of rent out of the economics of the deals that we make with tenants. The net effect of this meager increase will be an outsource of tenants to other communities (i.e., Bedford, Nashua, Amherst) and the surrounding communities. This is in no small means a minor increase. We lease a substantial number of parking spaces, we have since 1988. The cumulative increase in the Consumer Price Index over (let's say) from '91 forward was about 30%. You're cumulative increase on parking fees, if this goes through, is over 100%...that's no small percentages. You can talk in terms of \$5.00 per space, but when you're talking percentages you're talking a large sum of money and I don't think that it's something that the business community can afford, I don't think it's something that the community can afford to lose any of the types of businesses we done a lot of work to try to recoup and I guarantee you you will see a net loss of businesses as leases expire. The employees, the management of the companies, the economy is not as strong out there right now as it was three years ago and I understand you'd like to raise some revenue, you're looking at trying to get this parking increase on top of the reval, on top of the real estate tax bills, on top of the Intown Manchester Central Business Service District tax, I think you're sending the very wrong message to the business community. Thank you.

For the record my name is Jennifer Sollars and I'm here tonight representing the Greater Manchester Chamber of Commerce, and we're here in opposition to the increase in monthly parking passes at the City garages for two primary reasons. Currently, the average cost per square foot of office space in Bedford is \$18.00 a square foot. In Manchester, we're looking at anywhere between \$18.00 and \$23.00 a square foot; that is prior to parking costs. At the current rate of \$56.00 a month with the average of four to five parking spaces per 1,000 square feet that number adds up to an additional \$2.69 a square foot when tenants look at space which brings the Manchester rate of square foot office anywhere from \$20.00 to \$25.00 a square foot. With rate increases of a monthly garage rate to \$70.00 which I think is taking into account a \$15.00 increase a month the cost per square foot could be anywhere between \$21.00 and \$26.36 a square foot. It's true that many other towns and cities across the State charge in the \$70.00 to \$80.00 range, we won't dispute that and at some point it might be warranted to become more competitive with other cities in regard to public parking revenue, however, Manchester is on the eve of being able to charge higher revenues for its office space and get it, but we also need to be very careful not to upset the delicate balance that we currently see in Manchester. The reason being that Manchester's primary inventory are businesses, they're not restaurants, they're not boutiques, they're not businesses that are willing to pay the high premium cost for Downtown frontage office space. We're hoping that's going to change, but currently it's not changing and we're predominantly still big law firms, small law firms, we've got businesses that don't need to be very visible on Downtown streets. We feel that many of these businesses when they renew their leases could move to Bedford and pay that \$18.00 a square foot, not have to worry about parking, it's convenient for their employees, they're not moving very far and see a mass exodus of businesses from the Downtown area. In closing, the Manchester Chamber sincerely hopes that you'll carefully consider what ramifications this would have to the Downtown business community. It seems like a small amount but when I think you look at the big picture I think that's what raised the red flag for us. We also understand that in 60 days possibly a new management team will work on the garages and we hope that we give this team a solid chance to try to tinker with some revenues before they go into increasing the rates in the garages, so thank you.

Hi, my name is Brian Fortin, I own Modern Bridge & Formal Shop. I also chair several Downtown committees here in Downtown Manchester and I was only aware of this possible proposal within the last couple of days reading it in the newspaper, so I haven't had a chance to formally speak to some of my peers Downtown, but I know that we have been working on our committees...a number of economic development programs for the Downtown and I'm a little bit concerned about a possible rate increase at this time, I'd like to encourage you to postpone any decisions until the new management team does take effect and

evaluate what they can do to possible cash flow, if there is any way they can change the management of the garages. I know in our committee meetings regarding economic development there's a lot of discussion about open inventory of commercial space here and relative to...like Jen said, the cost for space compared to other local communities like Bedford and Hooksett. I know Mr. Lolicata compared our rates to other communities and we don't argue that our rates are conservatively lower than a lot of other communities, however, what is our community compared to open space or available commercial space to those other communities. My guess is we have more available space and until we start filling that I don't think we can start charging premiums and be competitive like that. I think we need to start filling that space, bringing down more tenants and continue the good work that the Economic Development Office has done, the Mayor's Office has done and the Board has done. So, let's get the space filled before we start increasing the rates, so I encourage you to wait until you've had a chance to digest it and speak with the new management team and what can be changed for operations.

Chairman Sysyn stated I think we have people from National Garages here, maybe they can come in and give us some recommendation.

I'm Ed Crean, the Senior Director of Operations from Central Parking situated in Boston. We've reviewed the numbers and I've listened tonight to what you've suggested in terms of a long-term plan and also what's Tom had to say in regards to coming back again and again and I feel and we're in agreement that you're both saying the same thing. We think, we know the garages produced over \$400,000 in cash flow after direct operating expenses for the last two years. I think we need to determine what the financial carrying charges are to find out what the true debt is for the parking garages. We think that once you've determined that amount of debt service that has to be offset by the revenues generated by the garages that you can formulate a plan, spread it out over 5 to 10 years and take moderate increases on a year-to-year basis to work to balance the books, if you will. The original charges as we read them in the paper and again this is the first time we've seen it as recently as today...an increase of \$10.00 or \$15.00 at one time is more of a disincentive than it is an incentive and we do think that what happens in that situation, it's been our experience, if the increase is too stiff you actually discourage business and the utilization of the garage goes down so you wind up having a negative impact on your cash flows. No garage is free from repair, there are continuing costs and as the garages continue to age those costs escalate, so it has to be a progressive program to generate the revenues to offset those costs.

Chairman Sysyn stated your suggestion is to wait and see what the debt service is and how you would do a long-range plan.

Mr. Crean stated I would suggest that we find out from Finance what is the magnitude of the money that has to be generated by the garages and then look at putting together a program that will help improve cash flows at the garage. There's another incentive too, there are other marketing programs that can be done in conjunction with local businesses and real estate people. As they fill up their spaces you can offer discount programs for group parking, it's one thing to hold your rates to check and it's another thing to set up programs that will stimulate groups of 30 or more parkers at a discounted rate. Right now, you have the space available in those garages to satisfy that kind of a demand but there has to be an incentive to create it.

Alderman Osborne stated so there is nothing put aside for repairs and so on and so forth...this would have to be added into the cost also, wouldn't it?

Mr. Crean replied as operators of parking garages we recommend a pro-active funding program for the kind of repairs that you're talking about that should be considered in a long-range plan because you will be faced with those expenses.

Alderman Osborne stated so instead of going up \$5.00 we can go up say \$1.00 a year, whatever it might be in small increments. Because breaking even now or making a little I can't see raising them, but we do need some money for repairs.

Mr. Crean stated that is correct...debt service and repairs...have to work toward a break even point.

Chairman Sysyn stated Finance is here and they could tell us...

Alderman O'Neil stated I just want to remind my colleagues, I don't remember the year but at one point there was about \$2.5 million in a reserve fund for maintenance that got raided one year to help balance the budget. So, we're our own worst enemies sometimes. Tom, do you remember the year by chance it got raided?

Mr. Lolicata replied it's been quite awhile ago. In the interim, we had the Parking Facilities Fund which on an annual basis would come to CIP to maintain these garages, but that's what happened after we lost the money you're speaking of. To put things into perspective and to give you an idea of what's going on, you can expect to spend close to \$1 million (\$750,000 to \$1 million) per garage every 10 years. I'm giving you facts right now. These are going to be solid facts. Out of

that the Parking Facilities Fund has been maintaining this over the past 15 years to keep this afloat. All three garages have just been reconstructed, as a matter of fact, within the last five or six years. So, there is a debt service. Victory was free and clear until we just fixed it, so all garages do have a debt service. We were making a profit on all garages except for the debt service which we will find out later. But, you have to realize that this is going to go on because you have to face the fact that you're going to subsidize parking for the City of Manchester or sell it outright because those people still coming here have to have a place to park, go to work and Manchester has been doing that since the first garage was built. If they change this all around and sell them, all well and good. But, in the interim until such a fund is established we have been going through CIP trying to obtain this money and working through Highway to maintain these facilities which we've been doing. This is how it's been working for the past 10-15 years. There is a small profit involved but not with the debt service that is when we start realizing we subsidize parking in Manchester and I just want you to keep that in tact. If we don't come up with these little innuendoes and try and help ourselves out in the long run someone is going to get taxed one way or the other to help maintain these garages if they're not built. So, I want you to keep that in mind also.

Alderman Forest stated that sort of brings me back to my argument at the last meeting that we are looking into disposing of the garages, so I personally can't see voting against changing anything until we get the answers to that...either we're going to sell them or we're not going to sell them, so I can't see raising any rates until I know for sure and I don't know where we're at with that just yet.

Mr. Lolicata stated that is an option for you but I am bringing this up like I was asked on an annual basis. This is what we had come up with and I had no idea that Chairman Sysyn had worked on another one.

Chairman Sysyn stated my thing was basically over the garages because I figured they weren't paying for themselves and the way everybody was speaking, it was like they were losing money and they weren't paying their way and I was looking for a way to let them pay their way. I'm not looking to gouge anybody or the small businessman, I pay the rate in the garage...the \$56.00 just like everybody else does and I'm sure that I'm smaller than anybody else because all I do is sell Avon Downtown. So, I'm not trying to gouge anybody and I think that by the people who use the garages paying the fees you're not taxing the people who aren't using the garages.

Mr. Lolicata stated when I gave you the figures before of only \$3.19 or \$2.59... those are based upon 22 work days, that's a formula used throughout the country. I think these gentlemen would agree with that, so it gives you an idea. So, if you just keep breaking that down...keep that in mind when you start making decisions like this also...what it costs per day, keep that in mind also, please.

Chairman Sysyn stated if you do it by the day it's costing you \$88.00 for those 22 days...the way I'm paying for it with my parking permit, it's costing me \$56.00, so that's quite a spread.

Alderman Forest stated I think I recall just a short time ago and I don't know how far back when you had discussed raising the permit fees that there were some businesses in the Millyard that were talking about 120 spots that they were paying for, so you're talking about \$600.00 a business here if you're talking \$5.00, so I can see why some of the business people would be arguing that this \$5.00 would be excessive for them.

Mr. Lolicata stated you're right but I'm also giving you an understanding of why we're doing this because it's based upon demand and I wouldn't be doing this unless there was a demand for parking and right now I can tell you a business...I got a call a couple of weeks ago, a gentleman is looking for 300 to 500 spaces; that stuff is going to be coming up here in the future, so I want you people to be aware of these things also. The City's not dead yet, it's not dead.

Alderman Forest asked would it be appropriate to table these items for now?

Chairman Sysyn stated the Clerk has a letter to be read into the record from the Mayor.

Deputy Clerk Johnson stated the Mayor had dropped a letter off to our office and requested that the Committee be advised of it and I apologize that I didn't get copies of it made, I thought they were and just discovered they weren't.

Dear Alderman,

On June 4, 2002, a recommendation was made to the Traffic Committee to transfer day-to-day management of the Canal and Victory Garages to Republic Parking Systems of Chattanooga, Tennessee. Please be advised that I would like to go on record as supporting this change for the reasons delineated before the committee.

I also urge you to delay any rate increases until the new management company has the opportunity to make recommendations.

If you have any questions or concerns regarding this issue, feel free to contact me at any time. Your consideration regarding this matter is greatly appreciated.

Respectfully submitted,

s/Robert A. Baines
Mayor

Deputy Clerk Johnson stated if the Committee has heard all it wishes on the rate increases and really doesn't want to take an action on it at this time you could table it pending further review at a later meeting and we could bring it back at another time and then from there you have other items dealing with the management company and extensions and the meter hood rentals as well, so you may want to deal with the increase first by tabling that portion to another meeting.

Mr. Lolicata stated also in regard to that letter you just read, those are the RFP's I can come up with right now for you in regard to a request by Alderman Guinta at the last meeting, I'll try to get more for you.

Deputy Clerk Johnson asked can we stick to one item of the agenda at a time, can we deal with the parking fees and then we can go to the management issue.

Alderman Forest moved to table the item relative to parking fee increases. Alderman Osborne duly seconded the motion. There being none opposed, the motion carried.

TABLED ITEMS

On motion of Alderman Forest, duly seconded by Alderman Osborne, it was voted to remove item 11 from the table for discussion.

11. Discussion regarding recommendation for management of the Canal and Victory Parking Garages.

Discussion regarding National Garages 3-month Extension

The 3-month extension management contract for National Garages (Central Parking) expires on September 30, 2002.

Deputy Clerk Johnson stated there are also the RFP's that have been distributed to the Committee noting there were two issues raised at the last meeting when you talked about management companies. One that to do with the fact that the Committee was not aware of the RFP process and how that all went about, the other was there was discussion about the recent audit of National as it pertained to the City and I know there's people here from the Finance Department...the Committee had wanted a report on that and at the time they were waiting for some responses, so they had delayed that to this meeting. So, I guess you might want to do that first.

Chairman Sysyn asked do we have a report on the audit this evening?

Deputy Clerk Johnson replied Mr. Buckley and Mr. Sherman are here if you want to call them forward. I believe there was a letter given to the Aldermen from Mr. Waldecker and I think it has to do with the audit as well.

Mr. Buckley stated you all have a copy of the audit in front of you I presented already to the Committee on Accounts. I audited the Canal and Victory Garages only for an 8-month period. There were four observations in it. The first observation has to do with employee benefits and the biggest part of that was the Worker's Comp rate that they were using was an estimated Worker's Comp rate and when I tried to calculate with the actual Worker's Comp rate for the garages is much less than their estimate and so I felt that we were paying them more for the Worker's Comp than it was actually costing them. You'll see they have a response at the very end of the audit...they've included a sheet with a letter with their responses to that, that came in late so I did not get a chance to look at some of the information that they gave me on that, but I included it for you to look at. There is an observation on security deposit balances that has to do with...the City has not been reporting them correctly at one point it was very easy because it was always the same amount of leases in the garage at any one time, but that has changed and the City just has to revisit that and I believe they have already addressed that and they made the adjustment on this year's...or will be making the adjustment on this year's financial statements and the last two observations were management issues of how I felt the management wasn't requesting enough reports to be able to identify all the problems or all of the issues at both the garages and I thought they should be getting more information at the Traffic Department to better monitor the garages. The final one had to do with civic center event payroll costs which are very high and they exceed the amount of money that those two garages take in for civic center events. There are big expenditures under civic center events themselves are greater than the revenue that you're collecting. On page 18 of the report you'll see the 8-month financial statements and as we were discussing earlier you can see that at the Canal Street

Garage, if you just look at daily operating costs vs. revenues...in eight months they were actually making a profit, they made a profit of \$163,694...it's the excess of their revenue they collected over the daily operating costs and at the Victory Garage it was \$287,536, however, if you look on page 28 I have a debt schedule...the only schedule I could get a hold of was the one for the Canal Street Garage. In the total column you can see that the debt service wipes out that profit plus a little more. I apologize for not having the debt service schedule for the Victory Garage but at the time it wasn't as clear cut as the Canal Garage and those figures had to be pulled out of a whole bunch of different bond issues and I couldn't do it with the time constraints I had. I believe that we have those now, don't we, someplace. But, even if you look at the debt service versus the profit the Victory Garage you see that we still lose a small amount of money every year on that.

Alderman Osborne asked what part of this does maintenance come into the picture, what part of these profits...you say \$163,694...what portion of that is for maintenance?

Mr. Buckley replied if you look under the expenditure part of that, you see under maintenance/repair for the 8-month period was \$9,867 and under other expenditures and utilities is where you would find the other normal things involved. So, maintenance is included in that expenditure figure.

Alderman Osborne asked how about major repairs?

Mr. Buckley replied major repairs...the very major repairs are part of the bonding costs, they get bonded. So, they're not included in the face of this statement. Some maintenance and I believe in the Canal Street Garage they had just purchased some computer equipment and so some of the expenditure in there they broke it up into two \$40,000 payments, I believe is what it was. It ended up in one of these statements. So, there was a one-time expense in one of these statements that lowers the amount of excess revenue, but it wasn't by that much.

Alderman O'Neil stated, Kevin, with regard to your four observations...the first one is an item that we're kind of waiting for a more definite response from the company on, now maybe you have received it...I haven't seen any communication other than there was some correspondence between the City and National Garages on that issue, so that issue is not resolved yet, correct?

Mr. Buckley replied that is correct.

Alderman O'Neil asked with regard to observations 2 and 3...those are items that the City could or should be asking for?

Mr. Buckley replied yes, in observation 2 that one is going to be taken care of this year...that involved just asking the garages for a report that they had readily available of what the lease balance was at the end of the year, they've done that and they're going to report it to Finance and it will be adjusted on this year's financial statements. In the management reports, I believe that they are asking them now for other reports to show the activity in the garage.

Alderman O'Neil stated so with regard to observations 2 & 3 we should...would it be correct to say that...I don't want to say that someone's at fault, but they were items we could have been asking for and they were not necessarily required to provide, is that correct?

Mr. Buckley replied that is correct.

Alderman O'Neil stated so there is no fault by the management company for either of those items (2 or 3).

Mr. Buckley replied no, they had all of that information in their system. It was just there for the asking, as soon as I asked for it they were able to pull it right out.

Alderman O'Neil stated with regard to observation 4 am I correct to say that you're observation really gets to the point that a decision was made by the management firm to hire their existing employees at time-and-a-half on overtime, is that correct?

Mr. Buckley replied they decided somewhere along the line and I believe it even went to the Traffic Committee to pay a premium rate of \$15.00/hour for working civic center events which amounts to about time-and-a-half. To compound that...and as far as I know didn't hire extra employees, they used their existing workforce and occasionally one of the full-time people would work and if you happened to be working when you're getting paid a \$15.00 premium rate and you get pushed into overtime then you get paid time-and-a-half on the \$15.00 rate.

Alderman O'Neil stated so that was a business decision that was made and if I recall reading somewhere they just felt that they were able to guarantee manpower using existing employees even at a premium rate than bringing in new hires on a part-time basis off the street, am I correct, did I read that somewhere?

Mr. Buckley replied that was my understanding.

Alderman O'Neil stated that was just a business decision whether we agree with it or not, we certainly knew what was going on.

Mr. Buckley stated yes, it wasn't...it was all laid out front before they even started charging.

Alderman O'Neil stated so other than observation 1 and I don't know how serious enough that it deserves to get corrected, I believe. The other three issues are really non issues, correct, at this point?

Mr. Buckley replied two of them have been corrected and the civic center one is just one (I suppose at this point) that we have to live with for awhile.

Alderman O'Neil stated so all-in-all and I don't want to put words in your mouth, but would say this isn't a bad audit.

Mr. Buckley replied no, it's an average audit, it's not a terrible audit.

Alderman O'Neil stated I've seen some of your other audits and you're very good at it and you find a lot of...many items...

Mr. Buckley stated there were some good things and I tried to put that in the report too. I thought they handled the revenue handling was done well and their internal controls were done well and their internal controls were done well.

Alderman Smith stated we went through this in Accounts and I believe that after with the debt service and so forth the Canal Street Garage operated at about \$52,547 and the Victory at \$88,000 somewhat in arrears, so it's \$140,000 that we did not make up in revenues or whatever, is that correct?

Mr. Buckley replied that is correct if you include the debt service that sounds about right.

Chairman Sysyn asked, Randy, do you have anything to add?

Mr. Sherman replied I have a slightly different read on the audit than Kevin does. I, personally think that finding 1 is pretty significant, I really do. The question is and I think Committee on Accounts asked how long has this been going on. I understand that we didn't have a written contract with the management company, but I'm sure that the deal with the management company was cost plus your management fee and with all due respect to the management company they were not charging us cost and although it may be \$11,000 for 8 months this may have

been going on for years and I think Committee on Accounts asked Kevin to go back and look at the last couple of years. I know that when we did our interviews in this respect we talked to them about management reports and their response was well, you didn't ask and I'm not sure that that's proper either. Should management have asked if they weren't getting it, yes. I full agree with that, Alderman. But, I'm not sure that that's the proper response that you would want from your management company. So, while I find that item number 4 is certainly something that the City did to itself and item number 2 is probably self-inflicted as well, I do think that item 1 is very significant and I think item 3 doesn't speak for the company as well either. But, based on that that's my opinion.

Alderman O'Neil stated, Randy, I'm certainly not going to put item 1 as a non-issue because I think it needs to be addressed, they need to answer the question with regard to it, but with regard to reports...the whole operation of the two...Canal and Victory...I don't want to speak for Granite Street because I'm not as familiar with it as I am the other two...we kind of had a system set up where we micro-manage a management company, is that a fair statement?

Mr. Sherman replied in some cases yes, the City has a history of that.

Alderman O'Neil stated I think where we do have some private folks doing work for us, I think of the ambulance contract for one...we don't micro-manage that, we have a contract, the Fire Chief is responsible for it, but we don't tell them how to run the ambulance service in the City and I think the problem here is...with fairness to National Garages...we micro-manage them. I'd like to see them given a chance where we say to them...you run the garages with oversight by one department, you make recommendations to the Board of Mayor and Aldermen through the Traffic Committee on changes that would be in the best interest of running these garages...whether it be rates, whether it be hours of operation, whether it be number of people working, what capital improvements should be done...but, we don't do that. We've micro-managed every...we've told them how many people should be on shift at a garage and there were people added because of a stabbing and not in one of those two garages, I believe the stabbing was at the Center of NH, we required them to add personnel. We tell them what hours those garages are to be open, we tell them what the rates are. So, I think the problem is here is that we're as much to blame as they are for any of these deficiencies. They're a very reputable firm, the Airport just renewed or extended a two-year agreement with them. My understanding is that almost 50% of the Airport revenues come from parking, so it's a very, very important issue to the Airport and we certainly know they put a lot of effort into reviewing many of their operations down there, but I'm sure they put a lot of work into it and they felt comfortable enough with National Garages that they did extend that contract. I haven't spoken

to Kevin Dillon in any detail, I don't believe it's as micro-managed as we have micro-managed the municipal garages in the Downtown area. So, I think we need to look in the mirror, I think we're all to blame...the elected officials, the staff and I think if we want to let...I think we need to allow National Garages to run these garages in a professional manner, working with staff side-by-side with staff through the Traffic Committee and I think, I have the confidence that they can turn the operation of the garages around, but we have to let them do their job and I think we failed to do that. How we can go seven years in this City without a contract, I have no idea, that's an embarrassment to us. So, I think we're kind of throwing them under the bus when we're at fault and I'd like to see us...I agree with Alderman Forest's comments earlier until we figure out are we selling them, not selling them...we should hold off on the rates, but I think we should be fair to these people, I think we want to continue to extend the contract for a year period and let them truly run the garages. I'd be interested in seeing the results on that, but just to throw them out and say this other company is going to come in and do it right, we're only going to do it right because we've had a wake up call with City staff and if it wasn't for the civic center God only knows where we'd be right now because it required all of us...elected and staff...to take a look at what was going on with parking, so I think it's an issue of fairness to them, I think they've tried to treat us fair, I think we've attempted to be fair to them but there's enough fault to go around to everyone and I'd strongly recommend that we give them a one-year agreement and tell them you run the garages. I think it's somewhere around a \$5 million operation, is that a fair number, the three municipal garages. What's the operation of three municipal garages.

Mr. Sherman replied a couple of million dollars, I reckon.

Alderman O'Neil stated a couple of million dollars operation we do with no full-time staff...

Chairman Sysyn interjected they only manage two garages.

Alderman O'Neil stated maybe if we threw the parking lots into it who knows, but I really think this is an issue of fairness and I think we need to look, the City needs to look in the mirror at who's at fault here. Thank you, Madam Chair.

Chairman Sysyn stated I was going to suggest that we take a short recess and confer with legal counsel on a couple of items.

Alderman Forest stated I still stand by my original comment about...we're talking about selling the garages, two of our members of the Board could not make it tonight and I feel that we should just retable the item for further discussion when all members are present.

Chairman Sysyn stated okay, but I would like to talk to legal counsel in private session and then we could put that back on the table if you'd like.

Alderman Smith stated just before you do that I'd just like to ask Kevin...as you know I have been on this for about three months and to my knowledge the \$11,581 that we think is what is owed to us...and I have a letter from your dated June 7th, now National hasn't responded to your letter at all saying that they just disagree with the situation or what is it, Kevin.

Mr. Buckley replied since that last letter I have not heard anything from them but I have requested more information from them two weeks ago, I sent them another request letter for some more information to look at and the \$11,581 is only for the 8 months that I audited and you can really only look at that for that year because that rate changes all the time.

Alderman O'Neil stated, Madame Chair, question...do we currently have a 3-month agreement through September 30th...someone's running the garages, National's running the garages.

Chairman Sysyn replied National's running the garages.

Alderman O'Neil stated I guess my point is with limited meetings in August are we going to have this all worked out...are we going to be up against the wall in September again...would it be better to extend that out three month's beyond that to give plenty of time for all of this review to go on including selling the garages, not selling them, changing the rates, not changing the rates or are we just going to keep adding a 3-month agreement every...

Deputy Clerk Johnson interjected I guess I'm going to intercede here because I don't want to create any problems coming out into the public session, but it's my understanding that there are a couple of questions that needed to be asked of the Solicitor which may or may not ensue that discussion immediately following, so I think maybe it would be better to meet with legal counsel so that those couple of questions may be asked of counsel and then come back out here and I don't think it's anything that...I think before you do anymore you want to ask those questions and then come back out and have that discussion.

Alderman Forest stated I thought I recall at the last meeting that I brought up the fact that the garages are going to be sold and I couldn't see signing any contracts with anyone and I don't recall who gave me the answer that said that it would take two to three months to come up with the answers of whether we were going to sell them and come up with the projects and I believe the timeframe at that time was enough to either sign a contract with National or with someone else and I think that was at the last meeting.

Chairman Sysyn stated I'm not sure that everyone is in favor of selling the garages.

Alderman Forest stated but we didn't have any answers at the last meeting which is why I brought it up.

Chairman Sysyn recessed the meeting to meet with legal counsel.

Chairman Sysyn called the meeting back to order.

Deputy Clerk Johnson stated based on some discussion with legal counsel it is my understanding that the Committee wishes to have a motion made to request the Finance Officer and/or his designee and the City Solicitor to work on observation 1 found in the audit and discuss that with the company and come back with a recommendation to the Committee.

Alderman Forest moved to the Clerk's recommended motion. Alderman Osborne duly seconded the motion. There being none opposed, the motion carried.

Deputy Clerk Johnson stated in reference to the second item it is my understanding that the Committee wishes to extend the current contract with an additional 30-day period which would put it expiring the 1st of November.

Alderman Forest moved to extend the current contract to the 1st of November. Alderman Osborne duly seconded the motion. There being none opposed, the motion carried.

Deputy Clerk Johnson stated I would just ask that that contract when it's done is extended to the day after the first Board meeting in November which would be just beyond the first of November and would allow the Board to take an action on any recommendations which would allow the full Board to take an action on any recommendations. I'll give Tom the date.

Deputy Clerk Johnson stated the third action would be to table any other further actions regarding management of the parking facilities.

Alderman Osborne moved to table any other further actions regarding management of the parking facilities. Alderman Forest duly seconded the motion. There being none opposed, the motion carried.

10. Discussion regarding free parking at the Canal and Victory Parking Garages on Saturday and Sunday.

This item remained tabled.

There being no further business to come before the Committee, on motion of Alderman Forest, duly seconded by Alderman Osborne, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee